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UNCLAS SECTION 01 OF 04 STATE 044837

FOLLOWING USOFFICE FSC CHARLESTON 00853 DATED 04/04/09
SENT ACTION SECSTATE BEING REPEATED FOR YOUR ACTION.
QUOTE:

UNCLAS FSC CHARLESTON 000853

MCO REPEAT TO ALDAC/POSTS INCLUDING MINIMIZE
FOR FINANCIAL MANAGEMENT OFFICERS

E.O. 12958: N/A
TAGS: [AFIN](#) [AFSN](#) [AMGT](#)
SUBJECT: US DEBIT CARD PROGRAM FOR LES TRAVEL: Q AND A

REF: STATE 29421 DTD 02 MAR 2009

1. Reftel announced a new program under the Department's new Smartpay 2 task order, the US Debit Card (USDC). The program allows LES employees to obtain travel advances on a branded prepaid debit card rather than to have to travel with sizeable cash advances. A large number of posts have expressed strong interest in the program, and have asked a number of questions. This telegram provides some of the answers, and shares additional guidance from our experience to date.

2. Post-level Questions and Answers (Qs and As)

1. Q: Who is eligible to participate in the program?

A: The primary purposes of the USDC program are to (1) decrease the risk our Locally Engaged Staff (LES) colleagues face in performing official travel, and (2) to reduce the considerable workload and risks worldwide of managing cash travel advances. Both of these objectives are unrelated to the LES, hiring agency, in fact the program is more effective and efficient by expanding the pool of eligible LES. Therefore, the USDC program is available, at post management discretion, broadly to all LES under COM authority on the Embassy's compensation plan. Any LES participating in the card program must be payrolled by State GFS under ICASS in Bangkok or Charleston and the travel advance must be paid by an ICASS service provider with access to State financial systems (RFMS, WinDATEL or LanSPFMS). Each post may have only ONE administrator, regardless of whether just State or multiple agencies participate in the program.

2. Q: Is the program mandatory for all LES travelers?

A. No. Use of the USDC is entirely up to post management. It is an excellent tool at some posts where local banking is such that LES do not have credit or debit cards that may be used for travel, particularly internationally. However, many posts will find that their LES have personal bank accounts and cards that can be drawn on easily and economically while on international travel. In these cases, travel advances may be issued by EFT to the personal

accounts of the LES traveler and the LES would use their own ATM, debit or credit card while travelling.

13. Q: What is the cost to post of participating in the program?

A: There is no initial setup fee for using the USDC program, and there is no fee for enrolling new cardholders in the program. However, the following fees will be levied at the cardholder level, to be claimed on the final travel voucher:

- Non-Citibank ATM transaction fee - this is a flat fee that is set by each bank.
- 2% ATM transaction fee - this fee will be debited from the balance of the card at the time of the transaction. For example, if a cardholder withdraws \$100.00 from an ATM, his card will be debited in the amount of \$102.00.
- 1% international Point of Sale (POS) currency conversion fee - this fee is levied by Visa, and applies to all POS transactions that take place outside of the U.S. This fee will be debited from the card at the time of the transaction.

14. Q: How do travelers get reimbursed for the costs of using the card?

A: Travelers will incur costs when they use the card any place other than a domestic US point of sale. These costs may be claimed on travel voucher claims. All charges against the card will be denominated in US dollars, converted at a rate of exchange established by the contract bank. The employee should claim the amount in dollars that is charged to the card.

15. Q: How can travelers minimize the costs incurred in using the USDC?

A: Official travelers must exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Pilot phase usage of the USDC cards shows that use of the debit card at point of sale (POS) incurs much lower costs than usage at an ATM. Because of the lower POS costs, posts should encourage their travelers to use the cards directly with vendors and NOT indirectly by obtaining cash at an ATM to later spend with vendors.

16. Q: Is the card only for international travel?

A: The card is denominated in US dollars only. Therefore all charges on the card will be converted to US dollars at the bank rate and then deducted from the card. Circumstances in your country - including security of cards may allow this card to be used domestically, and there is no restriction against it. The purposes of the program are to reduce risk -- on both travelers by precluding the need for a large cash advance and the considerable risk of our cashiers handling cash travel advances.

17. Q: Does the USDC program offer a non-personalized card?

A: The GSA SmartPay2 contract and State,s task order allows for emergency use non-embossed debit cards. However, this feature has not yet been rolled out. Currently the only available debit cards are personalized with the cardholder,s name.

18. Q: How long are the cards active?

A: The debit cards are active for 3 years after the date of issue. Within 30 days of expiration, the cardholder must contact the customer service area for reissue. Funds will transfer to the new card.

19. Q: How long does it take to receive a card once it has

been
ordered?

A: A card is issued within one week of a cardholder being enrolled in the Citibank USDC. The card is then sent via FedEx directly to post. As such, posts can assume an average of a 2-week timeframe for receiving the card after it has been ordered.

¶10. Q: How long does it take for funds to be loaded onto the card?

A: After post processes a voucher to post an ACH payment to the card, the funds should be delivered to the card within the next two days. However, regular post payment procedures and cutoff times for your servicing USDO as well as advances issued through the GET (e2) system will also impact how quickly the funds get onto the card.

¶11. Q: How will post obtain the information to set up the ACH payment?

A: This information is provided on a tear-off portion of the initial card package that is sent to the cardholder. This documentation includes the Bank Name, Account Number and Routing Number.

¶12. Q: Is post responsible for monitoring cardholders, transactions?

A: No. Neither post, s program administrator nor GFS has access to cardholder transaction history. The funds are considered to be -cardholder owned,- which means that once the cards are loaded, GFS has no oversight in the manner in which the funds are used. In this sense, loading a travel advance onto a debit card is equivalent to paying a travel advance in cash.

¶13. Q: Can a cardholder use the card to make a purchase in excess of the balance on the card?

A: No - there is no credit associated with these cards. They are only -good- for the amount of the balance on the card at any given time. If the cardholder attempts to use the card to make a purchase in excess of the card balance, then the transaction will be declined.

Cardholder-level Questions

¶14. Q: Do cardholders have access to their transaction history?

Do they receive statements on their accounts?

A: Cardholders do not receive statements, but they do have access to a website that provides 24-7 access to their transaction history. The website information is provided in the initial card package that the cardholder receives, as well as a Customer Service phone number. To check balance and account info online go to www.mycount.com or call 866-326-8689. Overseas callers who cannot call US toll free numbers may call collect on 610-941-4607.

¶15. Q: What are "Holds" or "Blocks" when reserving hotel rooms and renting cars?

A: Credit and debit card blocking (or holds) are a common business practice for US hotels and rental car companies. Hotels and rental car agencies will often place a hold on the funds of a card, in excess of the amount of the final bill. Businesses place these holds in order to account for possible additional expenditures that the cardholder might incur, such as room service or excess mileage. Posts and travelers under the USDC need to be aware of this practice, as it will limit the use of the card in many cases. Blocking generally takes place when a consumer checks into a hotel or rents a car, instances where a credit or debit card is needed prior to actual payment. In such cases, the

clerk usually contacts the company that issued the card to provide an estimated total. Once the transaction is approved, the balance on the card is reduced by this amount. Hotels and car rental companies will estimate on the high side and can lock in the hold for three days or more, until your actual charges clear and are posted. This is a -block- which some companies refer to as a -hold-, and it can prevent the traveler from being able to use the card. If the hotel or car rental bill is a lot less than the balance on the USDC, this will not be an issue.

One consumer web site recommends:

When checking into a hotel or renting a car, find out if the company is blocking, how much will be blocked, how the amount is determined and how long the block will remain in place. If the hold amount appears unreasonably high, GFS advises that the cardholder withdraw cash from an ATM in order to pay the hotel lodging bill or rental car fee up front. Alternatively, arrangements may be made where a deposit is established and charged up front.

If you check in using the USDC, also check out using it to pay. Citibank will lift the block on the card within three days if they see the charge hit the card against the blocked amount.

If you pay in cash or with a different credit card, remind the hotel to lift the block on the USDC promptly.

¶16. Q: What happens if a cardholder forgets the card PIN that they have selected?

A: After 3 incorrect PIN attempts, a cardholder's account will be locked for 24 hours, and they will not be able to use their card for any transactions. After 2 failed attempts, the cardholder should call the Customer Service phone number (1-866-326-8689 or 610-941-4607 collect from outside the US) provided on the back of the card, and select a new PIN.

¶17. Q: What happens if a card is lost or stolen?

A: The back of each card lists a number to call (1-866-326-8689 or 610-941-4607 collect from outside the US) in the event that the card is lost or stolen. As it is highly likely that a cardholder whose card has been stolen will not have access to this information, travelers should make a note of the number and keep it where they can access it. Or, he/she can contact the post debit card program administrator for assistance. The post administrator can contact Citibank directly, or contact GFS for assistance in reporting the lost or stolen card. Citibank will cancel the card and reissue a replacement card, which will be sent directly to post.

¶18. Q: Can a cardholder supplement the debit card balance with personal funds?

A: No. The only way in which the cards can be loaded is via a post-initiated Automated Clearing House (ACH) payment, that is, post with process a payment directly to the card account via EFT.

¶19. Q: What does a traveler do with any money that is left on the card after a trip has been completed?

A: As with any travel advance, the money is given to the traveler to assist in paying for costs incurred while traveling. Any money remaining is theirs to keep, unless they owe the USG because the advance was higher than their reimbursable expenditure. To "clean out" the card, travelers may wish to withdraw any remaining money from their travel advance before returning to post. This money is theirs to keep or, if the cardholder owes the USG money from his travel advance, they may use this money to pay off

the amount due to the USG. Frequent travelers can leave a balance on their cards for use in conjunction with future travel. Any funds left on the card will not be a factor in calculating future travel advances. If the funds to be withdrawn are less than the minimum withdrawal amount, then the cardholder should contact GFSB or GFSC to find a solution for extracting the remaining funds from the card.

End of Qs and As

¶3. Points of Contact standing by to answer any questions you might have are:

(a) RM/GFS Debit Card Program (Charleston) Manager Margaret Arrants (843-746-0527 or IVG 6-0527, email ArrantsMR@state.gov);

(b) RM/GFS Debit Card Program (Bangkok) manager Pattranit Soparkdithapong (Bangkok, 662-205-5694 or IVG 675-5694, email SoparkdithapongPA@state.gov); and

(c) The GFS Debit Card program email box (GFSUSDC@state.gov or "GFS USDC Admin" in the GAL.)

¶4. Minimize considered.

MILLETTE

UNQUOTE CLINTON